



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

April 8, 1998

H.R. 3226

An act to authorize the Secretary of Agriculture to convey certain lands and improvements in the state of Virginia, and for other purposes

As cleared by the Congress on April 3, 1998

SUMMARY

H.R. 3226 would authorize the Secretary of Agriculture to sell or exchange about 368 acres of certain federal land in Virginia. The act would direct the Secretary to deposit any funds received from sale or exchange of the federal lands in a special fund within the Treasury; spending from that fund would be subject to subsequent appropriation. CBO estimates that enacting H.R. 3226 would increase offsetting receipts from nonroutine asset sales by about \$2 million over the 1999-2003 period. Because enacting H.R. 3226 would increase offsetting receipts, pay-as-you-go procedures would apply.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated impact of H.R. 3226 on direct spending is shown in the following table. The budgetary impact of this legislation fall within budget function 300 (natural resources and the environment). For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	-1	-1	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

BASIS OF ESTIMATE

Implementing H.R. 3226 would affect direct spending because it would result in the sale of certain lands. Sale proceeds would be recorded as offsetting receipts, a form of direct spending.

H.R. 3226 would authorize the Secretary of Agriculture to sell or exchange about 368 acres of federal land in the state of Virginia. The affected land consists of 18 separate tracts that are contained in the George Washington National Forest and the Jefferson National Forest. Two of the tracts comprise most of the affected area: one of 101 acres and one of 214 acres. Most of the remaining tracts are small; many of them are less than one acre in size.

According to the Forest Service, under H.R. 3226 the agency would probably sell about 325 acres of federal land to the state of Virginia or another interested party, and either exchange or sell another 43 acres. Under current law, the Forest Service does not have the authority to sell or exchange the federal land specified in H.R. 3226. Therefore, such sales would be considered nonroutine asset sales. Under the Balanced Budget Act of 1997, proceeds from a nonroutine asset sale may be counted for purposes of pay-as-you-go scorekeeping only if the sale would entail no net financial cost to the government. CBO estimates that the nonroutine asset sales that would result from enacting H.R. 3226 would generate a net savings to the government; therefore, the proceeds would be counted for pay-as-you-go purposes. Depending on the amount of federal lands sold and the sale price negotiated, CBO estimates that the asset sale proceeds from H.R. 3226 would total about \$2 million over the 1999-2000 period.

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